

1 AMENDMENT TO SENATE BILL 14

2 AMENDMENT NO. _____. Amend Senate Bill 14 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Pension Code is amended by
5 changing Sections 2-119.1 and 2-126 as follows:

6 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

7 Sec. 2-119.1. Automatic increase in retirement annuity.

8 (a) A participant who retires after June 30, 1967, and
9 who has not received an initial increase under this Section
10 before the effective date of this amendatory Act of 1991,
11 shall, in January or July next following the first
12 anniversary of retirement, whichever occurs first, and in the
13 same month of each year thereafter, but in no event prior to
14 age 60, have the amount of the originally granted retirement
15 annuity increased as follows: for each year through 1971, 1
16 1/2%; for each year from 1972 through 1979, 2%; and for 1980
17 and each year thereafter, 3%. Annuitants who have received
18 an initial increase under this subsection prior to the
19 effective date of this amendatory Act of 1991 shall continue
20 to receive their annual increases in the same month as the
21 initial increase.

22 (b) Beginning January 1, 1990, for eligible participants

1 who remain in service after attaining 20 years of creditable
2 service and have not elected to limit contributions under
3 Section 2-126(e), the 3% increases provided under subsection
4 (a) shall begin to accrue on the January 1 next following the
5 date upon which the participant (1) attains age 55, or (2)
6 attains 20 years of creditable service, whichever occurs
7 later, and shall continue to accrue while the participant
8 remains in service; such increases shall become payable on
9 January 1 or July 1, whichever occurs first, next following
10 the first anniversary of retirement. For any person who has
11 service credit in the System for the entire period from
12 January 15, 1969 through December 31, 1992, regardless of the
13 date of termination of service, the reference to age 55 in
14 clause (1) of this subsection (b) shall be deemed to mean age
15 50.

16 This subsection (b) does not apply to any person who
17 first becomes a member of the System after the effective date
18 of this amendatory Act of the 93rd General Assembly.

19 (c) The foregoing provisions relating to automatic
20 increases are not applicable to a participant who retires
21 before having made contributions (at the rate prescribed in
22 Section 2-126) for automatic increases for less than the
23 equivalent of one full year. However, in order to be
24 eligible for the automatic increases, such a participant may
25 make arrangements to pay to the system the amount required to
26 bring the total contributions for the automatic increase to
27 the equivalent of one year's contributions based upon his or
28 her last salary.

29 (d) A participant who terminated service prior to July
30 1, 1967, with at least 14 years of service is entitled to an
31 increase in retirement annuity beginning January, 1976, and
32 to additional increases in January of each year thereafter.

33 The initial increase shall be 1 1/2% of the originally
34 granted retirement annuity multiplied by the number of full

1 years that the annuitant was in receipt of such annuity
2 prior to January 1, 1972, plus 2% of the originally granted
3 retirement annuity for each year after that date. The
4 subsequent annual increases shall be at the rate of 2% of the
5 originally granted retirement annuity for each year through
6 1979 and at the rate of 3% for 1980 and thereafter.

7 (e) Beginning January 1, 1990, all automatic annual
8 increases payable under this Section shall be calculated as a
9 percentage of the total annuity payable at the time of the
10 increase, including previous increases granted under this
11 Article.

12 (Source: P.A. 86-273; 87-794; 87-1265.)

13 (40 ILCS 5/2-126) (from Ch. 108 1/2, par. 2-126)

14 Sec. 2-126. Contributions by participants.

15 (a) Each participant shall contribute toward the cost of
16 his or her retirement annuity a percentage of each payment of
17 salary received by him or her for service as a member as
18 follows: for service between October 31, 1947 and January 1,
19 1959, 5%; for service between January 1, 1959 and June 30,
20 1969, 6%; for service between July 1, 1969 and January 10,
21 1973, 6 1/2%; for service after January 10, 1973, 7%; for
22 service after December 31, 1981, 8 1/2%.

23 (b) Beginning August 2, 1949, each male participant, and
24 from July 1, 1971, each female participant shall contribute
25 towards the cost of the survivor's annuity 2% of salary.

26 A participant who has no eligible survivor's annuity
27 beneficiary may elect to cease making contributions for
28 survivor's annuity under this subsection. A survivor's
29 annuity shall not be payable upon the death of a person who
30 has made this election, unless prior to that death the
31 election has been revoked and the amount of the contributions
32 that would have been paid under this subsection in the
33 absence of the election is paid to the System, together with

1 interest at the rate of 4% per year from the date the
2 contributions would have been made to the date of payment.

3 (c) Beginning July 1, 1967, each participant shall
4 contribute 1% of salary towards the cost of automatic
5 increase in annuity provided in Section 2-119.1. These
6 contributions shall be made concurrently with contributions
7 for retirement annuity purposes.

8 (d) In addition, each participant serving as an officer
9 of the General Assembly shall contribute, for the same
10 purposes and at the same rates as are required of a regular
11 participant, on each additional payment received as an
12 officer. If the participant serves as an officer for at
13 least 2 but less than 4 years, he or she shall contribute an
14 amount equal to the amount that would have been contributed
15 had the participant served as an officer for 4 years.
16 Persons who serve as officers in the 87th General Assembly
17 but cannot receive the additional payment to officers because
18 of the ban on increases in salary during their terms may
19 nonetheless make contributions based on those additional
20 payments for the purpose of having the additional payments
21 included in their highest salary for annuity purposes;
22 however, persons electing to make these additional
23 contributions must also pay an amount representing the
24 corresponding employer contributions, as calculated by the
25 System.

26 (e) Within 60 days after the later of attaining 20 years
27 of creditable service in this System or attaining age 55 (or
28 within 60 days after the effective date of this amendatory
29 Act of the 93rd General Assembly, if that is later), a
30 participant (including, without limitation, a participant who
31 first becomes a member of the System after the effective date
32 of this amendatory Act of the 93rd General Assembly) may
33 irrevocably elect, through a written direction filed with the
34 Board, to make contributions to the System based only on the

1 amount of the increases in salary received by the participant
2 on or after the date of the election, rather than the total
3 salary received. This election does not affect the person's
4 status as a participant, but a person so electing thereby
5 forfeits any accelerated 3% increases to which he or she
6 would otherwise be entitled under subsection (b) of Section
7 2-119.1. The election shall take effect on the first day of
8 the month following the month in which the written direction
9 is received by the System.

10 (Source: P.A. 90-766, eff. 8-14-98.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law."